

Education and Workforce Development Cabinet

Kentucky's jobless rate drops to 9.6 percent in June 2011

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Editor's Note: Preliminary June and revised May labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate continued to fall going from 9.8 percent in May 2011 to 9.6 percent in June 2011, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary June 2011 jobless rate dropped .7 percentage point below the 10.3 percent rate recorded in June 2010 for the state. The state's June 2011 rate is the lowest since the January 2009 rate of 9.2 percent.

"Kentucky's economy regained some footing in June 2011 as nonfarm employment increased for the 14th month since the recession ended in June 2009. However, a portion of the decline in the unemployment rate is attributed to a drop in the civilian labor force as fewer new entrants started job searches," said Dr. Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate increased from 9.1 percent in May 2011 to 9.2 percent in June 2011, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Five of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in

June 2011, while five decreased and one stayed the same, according to OET. An increase of 1,600 jobs in June 2011 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,791,000. Kentucky's nonfarm employment has grown by 18,200 workers since June 2010.

According to the seasonally adjusted employment data, Kentucky's manufacturing sector rebounded in June 2011 adding 1,200 jobs since May 2011. Since June 2010, employment in the manufacturing sector has climbed by 4,000 positions.

"Job gains over the past month are attributed to the durable goods subsector, which reflects a ramp up in production due to the restoration of supply chains and expansion at an automobile parts manufacturer," Detzel said.

The year-over-year job expansion in manufacturing also occurred mainly in the durable good subsector. "As the economy recovers and consumers regain confidence, the manufacturing sector is boosting production as businesses restock inventories to meet the resurgence in demand for products," Detzel said.

The state's leisure and hospitality sector climbed by 1,100 jobs in June 2011. Since June 2010, the sector has surged by 12,600 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services, and drinking places industries.

"The employment gains in June 2011 are concentrated in arts, entertainment and recreation businesses, which reflects expansions at recreational facilities," said Detzel.

The trade, transportation and utilities sector advanced by 1,000 jobs in June 2011. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities. It is the largest sector in Kentucky with 360,300 employees. Since June 2010, the number of jobs in this sector has increased by 300.

Construction sector jobs rose by 400 in June 2011. Since June 2010, employment in the construction sector has dropped by 2,800 jobs.

Employment in the mining and logging sector increased by 100 in June 2011. The sector has gained 700 jobs since June 2010.

The educational and health services sector maintained the same number of workers in June 2011 as in May 2011. The sector has surged by 3,900 workers since June 2010. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations; and civic and professional organizations, tumbled by 1,000 positions in June 2011. This sector had 900 more positions in June 2011 than June 2010.

"This marks the second consecutive month of declining employment in the other services sector. The contraction in this sector is a sign of layoffs at commercial and industrial repair and maintenance companies," said Detzel.

The financial activities sector lost 700 jobs in June 2011. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has 1,800 fewer positions than in June 2010.

The government sector, which includes public education, public administration agencies and state-owned hospitals, dropped 300 jobs in June 2011. The sector has 5,200 fewer jobs than in June 2010.

The professional and business services sector dwindled by 100 positions in June 2011. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last June, jobs in the sector have mushroomed by 5,800.

The information sector declined by 100 workers in June 2011. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has decreased by 200 positions since June 2010.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for June 2011 was 1,912,321 on a seasonally adjusted basis. This figure is down 942 from the 1,913,263 employed in May 2011, but up 47,762 from the 1,864,559 employed in June 2010.

The monthly estimate of the number of unemployed Kentuckians for June 2011 was 202,647, down 4,366 from the 207,013 Kentuckians unemployed in May 2011, and down 10,731 from the 213,378 unemployed in June 2010.

The monthly estimate of the number of Kentuckians in the civilian labor force for June 2011 was 2,114,968. This figure is down 5,308 from the 2,120,276 recorded in May 2011, but up 37,031 from the 2,077,937 recorded in June 2010.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.